

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

DEPARTMENTAL PERSONNEL MANUAL LETTER

DPM LETTER NO. 550-6

DATE: SEP 29 1999

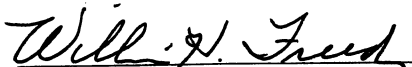
SUBJECT: Lump-Sum Payments for Annual Leave

On July 8, 1991, the Office of Personnel Management (OPM) issued uniform Governmentwide final regulations on calculating lump-sum payments for annual leave (64 FR 36763), see attachment. The final regulations are effective September 7, 1999, and apply to all lump-sum payments made by an agency on or after the effective date.

The final regulations establish a uniform Governmentwide policy for calculating lump-sum payments for accumulated annual leave for employees who separate from Federal service in accordance with 5 U.S.C. 5551 or 5552. The regulations essentially provide that the types of pay to be included in a lump-sum payment, are those that the employees would have received on a biweekly basis had the employee remained in Federal service on annual leave. The lump-sum payment does not include allowances that are paid for the sole purpose of encouraging an employee to remain in Government service, e.g., retention allowances.

OPM has advised agencies that it is extremely important to implement the regulations on time. An employee separating on or after September 7, 1999, must have his or her lump-sum payment for annual leave adjusted to reflect OPM's new regulations. A copy of the final regulations can be found on OPM's website at <http://www.opm.gov/>.

If you need further assistance, please contact Maxcine Sterling on (202) 366-1291 or Jan Karicher on (202) 366-9450.



WILLIAM H. FREED

Acting Departmental Director

Office of Human Resources Management

Attachment

FILING INSTRUCTIONS: File after DPM Chapter 550 Letters

DISTRIBUTION: Personnel Council Members, SVC-162, B-30, AMZ-500, AAA-100

OPI: OST/M-12, Maxcine Sterling (202) 366-1291 or Jan Karicher, (202) 366-9450

INTERAGENCY ADVISORY GROUP


UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415

Secretariat
1900 E St., NW

AUG 23 1999

MEMORANDUM FOR DIRECTORS OF PERSONNEL AND AGENCY PAYROLL OFFICES (CPM 99-2)

FROM:


HENRY ROMERO
ASSOCIATE DIRECTOR
FOR WORKFORCE COMPENSATION
AND PERFORMANCE

SUBJECT:

Implementation of Final Regulations on Lump-Sum Payments for
Annual Leave

On July 8, 1999, the Office of Personnel Management (OPM) issued final regulations on lump-sum payments for annual leave (64 FR 36763). The final regulations become effective on September 7, 1999, and apply only to lump-sum payments made by an agency on or after the effective date.

The final regulations establish a uniform Governmentwide policy for calculating lump-sum payments for accumulated and accrued annual leave for employees who separate from Federal service in accordance with 5 U.S.C. 5551 or 5552. OPM's final regulations provide that the types of pay to be included in a lump-sum payment are those the employee would have received on a biweekly basis had the employee remained in Federal service on annual leave, except allowances that are paid for the sole purpose of encouraging an employee to remain in Government service (e.g., retention allowances).

It is very important that agencies implement the regulations on time. An employee separating on or after September 7, 1999, must have his or her lump-sum payment for annual leave adjusted to reflect OPM's new regulations. A copy of the regulations can be found on OPM's web site at <http://www.opm.gov>.